



GSBA529: Strategic Formulation for Competitive Advantage
Syllabus – Spring 2022

Section: 15731D; Tuesday, 6:30 - 9:30pm. JFF LL125
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Office Hours: By appointment
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Course Description

In the past few decades, societies worldwide have seen the emergence of a new breed of entrepreneurs, *social entrepreneurs*, who are bringing the principles and tools of business to the social sector to create enterprises that address some of the most pressing challenges faced by the world today in education, health care, the environment and other areas. At the same time, *social intrapreneurs*, working within major organizations, are using their companies' resources in novel ways to deliver market solutions to these challenges at the local and global levels.

Success in social entrepreneurship requires a strategic and systematic approach. It begins with an in-depth understanding of the distinctive features of the social enterprise context and involves devising strategic ways to create innovative forms of value using a limited set of resources.

The topic of social entrepreneurship in GSBA 529 is approached from a strategic perspective. The course provides key concepts, tools, and frameworks for defining a social enterprise's mission, selecting competitive strategies, creating and sustaining competitive advantages, scaling the social venture and maximizing its long-term impact. While embodying the latest thinking on the strategic management of social enterprises, GSBA 529 puts a strong focus on practical application. The course is enriched by real-life case studies of a cross section of firms, including some of the world's most innovative social enterprises. The final project, a team assignment, challenges students to identify a social enterprise that provides an innovative solution to a pressing social problem in education, health care, the environment or others, identify problems the enterprise is facing, and come up with solutions to those problems.

Learning Objectives

Course Notes

This first week of this course will be taught online and then follow in person . Attendance at all synchronous class sessions is expected. Students should ensure that they can access all of the online tools via Blackboard prior to the start of classes.

Zoom is the platform used for all online sessions and online office hours. A link and instructions to join the Zoom sessions will be posted in the Blackboard Course Home Page under the "USC Zoom Pro" tab. For more information about Zoom, go to: [Zoom Support Tutorials](#)

Theory and Concepts. GSBA 529 provides the key concepts, tools, and principles of strategy formulation and competitive advantage. The course covers theories and frameworks for in-depth industry and competitor analysis, for analyzing the impact of various forces (e.g. technological advances, government regulation) on industry competition and evolution and for anticipating and predicting future industry developments. The course also examines the economic underpinnings of competitive advantages and the fundamental conditions that allow firms to create and sustain advantageous strategic positions. The course also covers concepts and theories for global strategy decisions including strategies for global value creation, location strategy and optimal timing of entry.

Analytical Skills. Theoretical concepts are a great aid to understanding, but by themselves are not enough to solve real business problems. You also need a set of useful analytical tools and skills that can be applied to the data to question and validate the facts and the premises assumed in the theories. Some of the tools are quantitative e.g. analyzing financial statements or calculating the effect of scale on production costs, while others are qualitative. Learning how and when to apply these techniques is a key objective of the course.

The course will offer you experience in conducting a comprehensive strategic analysis of a company. This involves an in-depth external analysis of the firm's industry and competitors and a thorough internal analysis of the firm's objectives, strategies, competitive advantages and performance. You will also identify and analyze the key strategic problems faced by the company and develop effective solutions and an implementation plan.

Critical Thinking Skills. The course will place a special emphasis on developing your critical thinking skills and enhancing your ability to present a thoughtful critique of others' arguments, analyses and supporting evidence. These skills will also help you to gather information, prepare thoughtful analyses and build compelling arguments.

Communication Skills. The best analysis will have little effect if it cannot be communicated to others. Managers must be able to articulate their views coherently and persuasively. Management is a "verbal sport". As much as ninety percent of a typical manager's day can be consumed by communication. Time is often scarce. You must learn to make convincing arguments and to make them quickly. This skill takes practice and we will place a special emphasis on it in class through oral presentations and written reports.

Upon successful completion of the course, students will have the knowledge and skills to:

1. Explain the fundamental characteristics of a well-conceived strategy and formulate an effective strategy for competitive advantage.
2. Craft a useful mission, vision and value statement for a social enterprise.
3. Analyze the main structural features of an industry and recommend a strategy that positions a company most favorably in relation to competition.
4. Explain the characteristics of disruptive innovations for social enterprise and recommend a strategy to develop disruptive innovations for competitive advantage.
5. Appraise the resources and capabilities of a firm and explain how they can confer sustainable competitive advantage.
6. Diagnose a firm's competitive advantage and provide recommendations for creating, enhancing, and sustaining competitive advantages.
7. Describe a firm's global strategy, evaluate its effectiveness and provide recommendations to enhance performance on a global level.
8. Explain the concept of shared value and provide recommendations for creating shared value.
9. Explain the key opportunities and challenges of international business and formulate an effective strategy for creating value globally.
10. Perform a comprehensive strategic analysis of a company, analyzing the key strategic problems it faces and providing effective solutions and an implementation plan.
11. Provide a thoughtful critique of others' arguments, analyses and supporting evidence.
12. Communicate your arguments coherently and persuasively.

Course Materials

Required course materials

Harvard Coursepack. Assigned readings and cases for this course are compiled in a digital coursepack available from Harvard Business School Publishing at the following link:

<https://hbsp.harvard.edu/import/896668>

Additional readings may be posted to Blackboard. When necessary, I may assign additional materials for you to purchase.

Blackboard (BB). Blackboard will be the central platform we use for this class. I will post various course materials to Blackboard including the course syllabus, PowerPoints, lecture notes, case discussion questions and assignments. Please check Blackboard regularly for any new information or materials relevant to upcoming sessions. Links for all class sessions via Zoom will be posted here as well.

Course Format

In-Person Class. After the first week, class will meet in-person, as was the norm prior to the pandemic. However, access to technology and a reliable internet connection will help you excel in the course. Students with technology or internet needs should communicate those needs with the following sources:

- [Marshall Emergency Funding Resources](#)
- [USC Resources](#); basicneeds@usc.edu

Case Method. In order to achieve the objectives of the course, we will devote the majority of our class time to the analysis and discussion of selected business cases. Occasional lectures will be given to elaborate on key theoretical concepts and frameworks. These lectures, however, will be subordinate to the case analysis. Cases provide a natural "test-bed" for theory and provide vivid examples that aid the memory of concepts. While nothing can surpass first-hand personal industry and managerial experience as a basis for decision-making, case analysis is an indispensable proxy for the kind of knowledge that can only be gained through years of experience and research. A set of business cases has been selected on a range of companies from a variety of industry settings. Each case is intended to teach us something specific, yet each can teach us many things. We will not attempt to exhaust each case of all its learning experiences, but rather build up a "war chest" of analytical tools, skills and insights, progressively over all the selected cases.

There are other reasons for employing the case discussion method of instruction. First, it allows you to develop skills at problem definition in addition to problem solving. Cases typically do not have an obvious set of tasks whose performance will lead to mastery. Rather, they force you to sift through a mass of information, some of it irrelevant or contradictory, in order to identify the key strategic issues. Second, the case method gives you a chance to deal with ambiguity. Most cases do not have obvious "right" answers. Managers must be able to function in situations where the right answer is not known, without falling into the trap of assuming that any answer is as good as another. Some analyses and proposed strategies are clearly wrong, and some are clearly better than others are. A popular phrase in case analysis classes is "**There are *no* right answers, but there are *wrong* answers.**"

These rationales are offered because the case method may be unfamiliar to some of you and may cause initial confusion. There will be many times when I will not reveal my own opinions about a particular issue, and there will be many cases that do not end up neatly packaged with an "answer." You may discover that your preparation "misses" key points of a case, especially at first. This is a normal part of the learning experience.

The quality of your learning experience during our class discussions will be directly determined by: 1) your degree of preparation, listening, and participation, and 2) your classmates' preparation, listening, and participation. Some will not agree with you, and you may be asked to defend your argument. As long as criticism is directed at arguments and not at individuals, is relevant to the issues at hand and coherently argued, it is very much welcomed.

Case Preparation. Cases require careful preparation before coming to class. The following is a suggested list of steps to guide your case preparation.

1. Rapidly read the assigned case to gain a general understanding of the industry, the firm and the key strategic issues faced by the firm.
2. Carefully review the case discussion questions provided for the case on Blackboard to learn more about what issues require special attention.
3. Carefully re-read the case, taking notes that sort information, facts, and observations under a number of relevant headings.

4. Formulate theories or hypotheses about what is going on as you read ("the company loses money on small orders"), modifying or rejecting them as new information surfaces ("Table 2 shows that shipping costs per unit are higher for small orders, but only for long-distance shipments").
5. Perform quantitative analyses, "crunching" whatever numbers are available. Use these numbers to provide quantitative support wherever possible, particularly when exploring various hypotheses as to the nature and importance of certain phenomena. If the requisite data are not available in the case, precise descriptions of what data are missing often triggers ideas for making creative use of the information that is available.
6. Prepare definitive conclusions before you come to class concerning the key strategic issues faced by the firm in the case and how they can be addressed as well as the issues raised in the case discussion questions.
7. Bring your detailed notes with you to class to help guide your interventions in the class discussion.

Course Evaluation

Your course grade will be determined as follows:

Individual work (70% of total)

Class Participation	20%
Exam I	25%
Exam II	25%

Group work (30% of total)

Final Project Paper	20%
Final Project Presentation	<u>10%</u>
	100%

In order to pass this course successfully, a passing grade (> 50%) must be achieved in the combined average of the individual components and in the combined average of the group components. ***Please note that if your individual performance in the course is unsatisfactory, it will not be brought up by a good group grade.***

Attendance Policy

Class attendance is absolutely essential. All missed classes will be noted. The policy on missed classes is to allow each student **two (2) absences**, no questions asked, no penalty. All further absences over this limit will reduce the student's class participation grade and final course grade, no questions asked, no excuses of any kind accepted. **Students with an excessive number of absences are at risk of failing the course.** Only official university engagements, such as officially scheduled USC Marshall sponsored case competitions and sports events, will be accepted as exceptions to this policy. Job interviews are not excused, so choose your absences carefully. Habitual lateness and leaving class early, for whatever reason, will be noted as evidence of low course commitment and penalized. **Simply put, you cannot learn from our class discussions, and your classmates cannot learn from you, if you are not present.**

Class Participation (20%). Because this course relies heavily on case materials, your active contribution to our case discussions is required to ensure the class' success. Each student has a responsibility to participate in class and to enhance the learning experience of all class participants. If you are not comfortable with oral participation, please let me know at the beginning of the semester and I will work with you to help you overcome this barrier.

Your overall class participation will be closely monitored. In grading oral participation, I will look at both the *quality* and *quantity* of your oral contributions. With regard to quality, the dimensions that I look for include:

- *Clarity* – is the comment succinct and understandable?
- *Relevance* – does the comment bear on the subject at hand? Comments that do not link up with what the discussion is focusing on can actually detract from the learning experience.
- *Causal Linkage* – are the logical antecedents or consequences of a particular argument traced out?

- Comments that push the implications of a fact or idea as far as possible are generally superior.
- *Responsiveness* – does the comment react in an important way to what someone else has said?
 - *Analysis* – is the reasoning employed consistent and logical?
 - *Evidence* – have data from the case, from personal experience, from general knowledge been employed to support the assertions made?
 - *Importance* – does the contribution further our understanding of the issues at hand? Is a connection made with other cases we have analyzed?

Participation.

It is expected that you will make notes while preparing a case for class discussion. Please use the case discussion questions provided for the case on Blackboard to identify the issues that require special attention in the case. Case notes typically include an analysis of the company's financial statements, an identification of the key problems faced by the company, proposed solutions to those problems and an implementation timeline. I expect you to rely on your notes when contributing to the class discussions.

In addition to weekly opportunities for oral participation in case discussions led by the instructor, each student or group may also have the opportunity to serve as a case leader, taking the lead on a specific part of a case discussion. Detailed instructions regarding your case leadership assignment will be discussed in class and posted to Blackboard.

Exams I and II (25% each). I will give two exams to test your understanding of material previously covered. Each exam will consist of two parts: 1) multiple-choice and true/false questions on the readings and cases and 2) short-essay questions on a case.

Team Final Project Paper and Presentation (30%). You will identify a social enterprise or traditional firm that provides an innovative solution to a pressing social problem in the areas of education, health, the environment or others. Your paper will specify the social problem the enterprise or firm addresses, the industry it operates in, the venture's vision and mission, its business model and competitive advantages, problems it is facing, and solutions to those problems. The last two sessions of the course are set aside for presentations of your report. Detailed instructions regarding the final project will be discussed in class and posted to Blackboard.

Peer Evaluations. Each of you will complete a peer evaluation of the members of your team with respect to the team final project. A link to the peer evaluation form will be posted to Blackboard. Scores for individual student contributions to the team final project are assigned by me, based on my assessment of the team's project quality, my observations of the team's working dynamics and thoughtful consideration of the information provided through your peer evaluations.

➤ **If you experience any group-related problem (e.g. conflict, free-rider etc.), please let me know immediately. Do not wait until the end of the semester. If you report this problem too late, there is not much I can do.**

TECHNOLOGY REQUIREMENTS

For any online lectures through Zoom will be provided in Blackboard. Therefore, you must have access to the Internet to view/hear lectures. No special software is required.

The lecture presentations, links to articles, assignments, quizzes, and rubrics are located on Blackboard. To participate in learning activities and complete assignments, you will need:

- Access to a working computer that has a current operating system with updates installed, plus speakers or headphones to hear lecture presentations;
- Reliable Internet access and a USC email account;

- A current Internet browser that is compatible with Blackboard (Google Chrome is the recommended browser for Blackboard);
- Microsoft Word as your word processing program; and
- Reliable data storage for your work, such as a USB drive or Office365 OneDrive cloud storage.

If your computer does not have Microsoft Word, Office 365 package is available to you free of charge and allows you to install Word, Excel, PowerPoint, Outlook, OneNote, Publisher, and Access on up to 5 PCs or Macs and Office apps on other mobile devices including tablets. Office 365 also includes unlimited cloud storage on OneDrive. To download Office 365 log into your student (University) email through a web browser, choose Settings (top right corner), and select software. If you have further questions or need help with the software, please contact the USC ITS service portal.

Course Policies

Add/Drop Process

If you are absent three times prior to February 9th, 2019, I may ask you to withdraw from the course by that date if you do not notify me prior to your absence. These policies maintain professionalism and ensure a system that is fair to all students.

STATEMENT ON ACADEMIC CONDUCT AND SUPPORT SYSTEMS

Academic Conduct:

Students are expected to make themselves aware of and abide by the University community's standards of behavior as articulated in the [Student Conduct Code](#). Plagiarism – presenting someone else's ideas as your own, either verbatim or recast in your own words – is a serious academic offense with serious consequences. Please familiarize yourself with the discussion of plagiarism in *SCampus* in Part B, Section 11, "Behavior Violating University Standards" policy.usc.edu/scampus-part-b. Other forms of academic dishonesty are equally unacceptable. See additional information in *SCampus* and university policies on scientific misconduct at <http://policy.usc.edu/scientific-misconduct>.

Support Systems:

Counseling and Mental Health - (213) 740-9355 – 24/7 on call
studenthealth.usc.edu/counseling

Free and confidential mental health treatment for students, including short-term psychotherapy, group counseling, stress fitness workshops, and crisis intervention.

National Suicide Prevention Lifeline - 1 (800) 273-8255 – 24/7 on call
suicidepreventionlifeline.org

Free and confidential emotional support to people in suicidal crisis or emotional distress 24 hours a day, 7 days a week.

Relationship and Sexual Violence Prevention and Services (RSVP) - (213) 740-9355(WELL), press "0" after hours – 24/7 on call
studenthealth.usc.edu/sexual-assault

Free and confidential therapy services, workshops, and training for situations related to gender-based harm.

Office of Equity and Diversity (OED)- (213) 740-5086 | Title IX – (213) 821-8298
equity.usc.edu, titleix.usc.edu

Information about how to get help or help someone affected by harassment or discrimination, rights of protected classes, reporting options, and additional resources for students, faculty, staff, visitors, and applicants. The university prohibits discrimination or harassment based on the following *protected characteristics*: race, color, national origin, ancestry, religion, sex, gender, gender identity, gender expression, sexual orientation, age, physical disability, medical condition, mental disability, marital status, pregnancy, veteran status, genetic information, and any other characteristic which may be specified in applicable laws and governmental regulations. The university also prohibits sexual assault, non-consensual sexual contact, sexual misconduct, intimate partner violence, stalking, malicious dissuasion, retaliation, and violation of interim measures.

Reporting Incidents of Bias or Harassment - (213) 740-5086 or (213) 821-8298
usc-advocate.symplicity.com/care_report

Avenue to report incidents of bias, hate crimes, and microaggressions to the Office of Equity and Diversity |Title IX for appropriate investigation, supportive measures, and response.

The Office of Disability Services and Programs - (213) 740-0776
dsp.usc.edu

Support and accommodations for students with disabilities. Services include assistance in providing

readers/notetakers/interpreters, special accommodations for test taking needs, assistance with architectural barriers, assistive technology, and support for individual needs.

USC Support and Advocacy - (213) 821-4710

uscsa.usc.edu

Assists students and families in resolving complex personal, financial, and academic issues adversely affecting their success as a student.

Diversity at USC - (213) 740-2101

diversity.usc.edu

Information on events, programs and training, the Provost's Diversity and Inclusion Council, Diversity Liaisons for each academic school, chronology, participation, and various resources for students.

USC Emergency - UPC: (213) 740-4321, HSC: (323) 442-1000 – 24/7 on call

dps.usc.edu, emergency.usc.edu

Emergency assistance and avenue to report a crime. Latest updates regarding safety, including ways in which instruction will be continued if an officially declared emergency makes travel to campus infeasible.

USC Department of Public Safety - UPC: (213) 740-6000, HSC: (323) 442-120 – 24/7 on call

dps.usc.edu

Non-emergency assistance or information.

Course Schedule

#	Date	Session Topics & Agenda	Readings/Assignments
1	T 1.11	Course Introduction and Overview Introduction to Strategy , Teams Assigned	<u>Reading</u> : What is Strategy? (CP)
2	T 1.18	Setting Aspirations Mission, differentiation strategy Project working session	<u>Case</u> : Walmart cases <u>Reading</u> : Setting Aspirations (CP)
3	T 1.25	Industry Analysis Project Working Session	<u>Case</u> : Patagonia <u>Reading</u> : The Five Competitive Forces that Shape Strategy (CP)
4	T 2.1	Industry Analysis, cont. Disruptive Innovation	<u>Case</u> : Case: Planet Fitness: No Judgements, No Lunks (CP) <u>Reading</u> : Catching the Wave (CP); Disruptive Innovation for Social Change (CP) Project proposal due
5	T 2.8	Disruptive Innovation cont.	<u>Case</u> : Netflix in 2011 (CP) <u>Case</u> : Health City Cayman Islands (CP)
6	T 2.15	Project Feedback Session Project Working Session Review Session	
7	T 2.22	Exam I	<u>Case</u> : The A2 Milk Company (CP)
8	T 3.1	Competitive Advantage	<u>Reading</u> : Competitive Advantage (CP) Case: Trader Joe's (CP) Project working outline due
9	T 3.8	Corporate Social Responsibility Project feedback session Project Working Session	<u>Reading</u> : Creating Shared Value (CP)
10	T 3.15	Spring Break	
11	T 3.22	Working Session	<u>Case</u> : Narayana Hrudayalaya Heart Hospital: Cardiac Care for the Poor (A) (CP)

12	T 3.29	Global Strategy	<u>Readings:</u> Managing Differences: The Central Challenge of Global Strategy (CP); Differences and the CAGE distance framework (BB) <u>Case:</u> Unilever (CP)
13	T 4.5	Location Strategy; Optimal Timing of Entry; Foreign Entry Modes	<u>Reading:</u> Strategies that Fit Emerging Markets (CP) <u>Case:</u> Haier (CP)
14	T 4.12	Exam II	<u>Case:</u> Yara International: Africa Strategy (CP)
15	T 4.19	Final Presentations	
16	T 4.29	Final Presentation	Final Project Paper Due: April 29, 2022 at 7pm

CP = Course Package

BB = Blackboard